

India–China Relations in the 21st Century: Challenges and Prospects

Ranjit Pegu*¹

¹Department of Political Science, Bahona College, Jorhat, Assam, India, 785101

*Corresponding author email: peguranjit3@gmail.com

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Abstract: The relationship between India and China has become one of the most important and complex bilateral relationships in contemporary international politics. As two rising Asian powers with large populations, expanding economies, and growing geopolitical influence, both countries significantly shape the regional and global order. The 21st century has witnessed increasing interaction between India and China in economic, political, military, and diplomatic spheres. While both nations cooperate in trade, climate negotiations, and multilateral organizations, several challenges continue to affect bilateral relations, including unresolved border disputes, strategic rivalry, trade imbalance, regional competition, and security concerns. Incidents such as the Doklam standoff and the Galwan Valley clash have intensified mistrust between the two countries. At the same time, globalization and economic interdependence compel both nations to maintain dialogue and cooperation. This paper critically examines the historical evolution, major challenges, strategic dimensions, and future prospects of India–China relations in the 21st century. The study is analytical and descriptive in nature and is based on secondary sources such as books, journals, official reports, and scholarly articles.

Keywords: India-China relations, Border disputes, Strategic rivalry, Economic corporation, Geopolitical competition

1. Introduction

The relationship between India and China occupies a central place in Asian and global politics. Both countries are ancient civilizations with rich cultural traditions and historical interactions extending back centuries. In the modern era, India and China emerged as independent political entities after the decline of colonialism and imperialism in Asia. Since then, their relationship has experienced phases of friendship, conflict, cooperation, and competition.

The 21st century has transformed India and China into major economic and strategic powers. China has emerged as the world's second-largest economy, while India has become one of the fastest-growing economies in the world. Both countries possess nuclear weapons, large military establishments, and expanding diplomatic influence. Consequently, their bilateral relationship has major implications for peace, security, and economic stability in Asia and beyond.

Despite economic cooperation and diplomatic engagement, several issues continue to create tensions between the two nations. The unresolved border dispute, strategic rivalry in South Asia and the Indo-Pacific region, China's close relations with Pakistan, and trade imbalances have complicated bilateral relations. The Doklam crisis in 2017 and the Galwan Valley clash in 2020 significantly deteriorated mutual trust and intensified military tensions along the Line of Actual Control (LAC).

At the same time, both countries recognize the importance of cooperation in areas such as climate change, global trade, regional stability, and multilateral diplomacy. India and China are members of international organizations such as BRICS, the Shanghai Cooperation Organisation (SCO), and the G20, where they often cooperate on issues concerning the developing world.

Thus, India–China relations in the 21st century represent a mixture of cooperation and conflict. Understanding the nature of this relationship is essential for analyzing the future of Asian geopolitics and international relations.

2. Objectives of the Study

The major objectives of the study are:

- To examine the historical evolution of India–China relations.
- To analyze the major challenges affecting bilateral relations in the 21st century.
- To study the economic and strategic dimensions of India–China relations.
- To evaluate the role of regional and global geopolitics in shaping bilateral relations.
- To examine the prospects for cooperation between India and China.
- To assess the future trajectory of India–China relations in the changing international order.

3. Research Methodology

The present study is descriptive and analytical in nature. The research is based entirely on secondary data collected from books, journals, newspapers, research articles, official government documents, policy reports, and online academic sources. The study follows a theoretical framework based on realism, geopolitics, and international relations theory to analyze the evolving nature of India–China relations.

4. Historical Background of India–China Relations

Ancient Cultural Relations

India and China maintained cultural and commercial relations since ancient times. Buddhism served as an important link between the two civilizations. Chinese travelers such as Faxian and Xuanzang visited India to study Buddhism and Indian philosophy. Trade routes such as the Silk Route facilitated the exchange of goods, ideas, and cultural traditions.

Post-Independence Relations

After India gained independence in 1947 and the establishment of the People's Republic of China in 1949, both countries initially attempted to build friendly relations. India was among the first countries to recognize Communist China. The Panchsheel Agreement signed in 1954 emphasized peaceful coexistence and mutual respect.

The slogan "Hindi-Chini Bhai-Bhai" symbolized friendship between the two countries during the 1950s. However, tensions gradually emerged over Tibet and border disputes.

The 1962 Sino-Indian War

The border dispute between India and China eventually led to the Sino-Indian War of 1962. China occupied Aksai Chin, while disputes over Arunachal Pradesh intensified tensions. The war severely damaged bilateral relations and created deep mistrust between the two nations.

For several decades after the war, diplomatic relations remained limited and strained.

Normalization of Relations

From the late 1980s onwards, both countries attempted to normalize relations through diplomatic dialogue. Indian Prime Minister Rajiv Gandhi's visit to China in 1988 marked a turning point in bilateral relations.

Subsequently, several agreements were signed to maintain peace along the border and improve economic cooperation. Trade relations expanded rapidly during the 1990s and 2000s.

Theoretical Framework

Realist Perspective

According to realism, states primarily pursue national interests and power. India and China compete for regional dominance, strategic influence, and security advantages in Asia. Their military modernization and geopolitical rivalry reflect realist principles.

Liberal Perspective

Liberal theory emphasizes economic interdependence and institutional cooperation. Despite tensions, India and China cooperate through trade and international organizations. Economic globalization encourages peaceful engagement between the two countries.

Geopolitical Perspective

The geopolitical perspective highlights the strategic importance of territory, resources, and regional influence. The Himalayan border region, the Indian Ocean, and the Indo-Pacific are central areas of geopolitical competition between India and China.

Major Challenges in India–China Relations

Border Disputes

The unresolved border dispute remains the most serious issue affecting bilateral relations. The India–China border is divided into three sectors:

- Western Sector (Aksai Chin)
- Middle Sector
- Eastern Sector (Arunachal Pradesh)

China claims Arunachal Pradesh as “South Tibet,” while India considers Aksai Chin part of Ladakh.

The Line of Actual Control (LAC) lacks clear demarcation, leading to frequent military confrontations.

Doklam Crisis (2017)

The Doklam standoff occurred near the India-Bhutan-China tri-junction. India intervened to prevent Chinese road construction in the disputed area. The crisis lasted for more than two months and demonstrated increasing strategic tensions.

Galwan Valley Clash (2020)

The Galwan Valley clash in Ladakh resulted in casualties on both sides and marked the first deadly confrontation in decades. The incident significantly worsened bilateral relations and led to increased military deployment along the border.

Strategic Rivalry in South Asia

China’s growing influence in South Asia is viewed with concern by India. Through infrastructure projects and investments, China has expanded its presence in neighboring countries such as:

- Pakistan
- Sri Lanka
- Nepal
- Bangladesh
- Myanmar

China’s Belt and Road Initiative (BRI) is considered by India as an attempt to increase Chinese geopolitical influence in the region.

China–Pakistan Relations

China's strategic partnership with Pakistan remains a major concern for India. The China-Pakistan Economic Corridor (CPEC), a major component of the BRI, passes through Pakistan-occupied Kashmir, which India claims as its territory.

China's diplomatic and military support to Pakistan complicates India's security environment.

Indo-Pacific Competition

India and China compete for strategic influence in the Indo-Pacific region. India supports a free, open, and inclusive Indo-Pacific strategy and actively participates in the Quad grouping with:

- United States
- Japan
- Australia

China views the Quad as an attempt to contain its rise.

Trade Imbalance

Trade relations between India and China have grown significantly, but the trade balance heavily favors China. India imports electronics, machinery, pharmaceuticals, and industrial goods from China.

The large trade deficit raises concerns regarding:

- Economic dependency
- Domestic manufacturing
- National security
- Technological vulnerability

Technological and Cyber Competition

Technological competition has become another important dimension of bilateral relations. India has imposed restrictions on several Chinese mobile applications and investments citing security concerns.

Competition in areas such as:

Artificial Intelligence, Telecommunications, Cybersecurity & Semiconductor technology has intensified in recent years.

Water Security Issues

Several important rivers originating in Tibet flow into India. China's dam-building activities on the Brahmaputra River create concerns regarding water security and environmental sustainability.

The absence of comprehensive water-sharing agreements remains a challenge.

Areas of Cooperation

Economic Cooperation

Despite political tensions, economic relations between India and China remain important. China is one of India's largest trading partners. Bilateral trade contributes significantly to regional economic growth.

Both countries benefit from:

- Market access
- Industrial cooperation
- Supply chains
- Investment opportunities

Multilateral Organizations

India and China cooperate through various international organizations such as:

- BRICS
- Shanghai Cooperation Organisation
- G20
- Asian Infrastructure Investment Bank
- United Nations

These institutions provide platforms for dialogue and cooperation on issues such as global governance, economic development, and climate change.

Climate Change Cooperation

India and China share common concerns regarding climate justice and sustainable development. Both countries advocate the principle of "common but differentiated responsibilities" in international climate negotiations.

Cooperation in renewable energy, environmental protection, and green technology can strengthen bilateral relations.

Cultural and Educational Exchanges

Educational cooperation, tourism, cultural exchange programs, and people-to-people interactions contribute positively to bilateral relations.

Ancient Buddhist connections continue to serve as an important cultural bridge between the two countries.

Prospects of India–China Relations

The future of India–China relations will depend on the ability of both countries to manage competition while promoting cooperation.

- Positive Prospects
- Economic Interdependence
- Growing trade and investment create incentives for stability and cooperation.
- Regional Stability

Both countries recognize that prolonged conflict would negatively affect Asian stability and economic growth.

Multilateral Cooperation

India and China often cooperate in international forums on issues affecting developing countries.

Global Challenges

Climate change, terrorism, pandemics, and energy security require collective action.

Negative Prospects

Border Tensions

Continued military confrontation along the LAC may further deteriorate relations.

Strategic Mistrust

Mutual suspicion regarding military and geopolitical intentions remains high.

Great Power Politics

Competition involving the United States and China may indirectly affect India–China relations.

Regional Influence

Both countries seek leadership roles in Asia, which can intensify rivalry.

India–China Relations and Global Politics

The India–China relationship significantly influences international politics. As emerging powers, both countries are central to discussions regarding:

- Multipolarity
- Global governance reforms
- Economic globalization
- Security architecture in Asia

The future international order will be shaped partly by the nature of engagement between India and China.

5. Conclusion

India–China relations in the 21st century represent a dynamic and complex combination of cooperation, competition, and conflict. While economic engagement and multilateral cooperation offer opportunities for partnership, unresolved border disputes and geopolitical rivalry continue to hinder mutual trust.

The border issue remains the primary obstacle to stable bilateral relations. At the same time, strategic competition in South Asia and the Indo-Pacific has intensified tensions between the two countries. Nevertheless, both India and China understand the importance of maintaining dialogue and avoiding large-scale conflict.

As two major Asian powers with global aspirations, India and China have a responsibility to promote peace, stability, and development in the region. Confidence-building measures, diplomatic engagement, economic cooperation, and peaceful conflict resolution are essential for improving bilateral relations.

The future of Asia and the global order will largely depend on how India and China manage their relationship in the coming decades.

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